

Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-11 NSCE-00
SSO-00 USIE-00 INRE-00 AF-10 ARA-10 EA-10 EUR-12
NEA-10 OIC-02 /148 W

-----128095 061945Z /45

O 061658Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 6391
USMISSION GENEVA IMMEDIATE

LIMITED OFFICIAL USE SECTION 1 OF 2 BRASILIA 1702

DEPT PASS STR - GENEVA FOR USMTN

E.O. 11652: INA
TAGS: ETRD, MTN, BR
SUBJECT: FONMIN OFFICIALS COMMENTS ON BRAZIL'S TARIFF REQUEST
LIST AND MTN

REF: BRASILIA 1595

1. DURING MARCH 2 MEETING WITH CHIEF OF FONMIN'S ECONOMIC
DEPT., PROENCA ROSA, AND DEPUTY CHIEF OF TRADE POLICY DIV.,
MEDEIROS, DURING WHICH BRAZILIAN TARIFF REQUEST LIST (TRL)
WAS PASSED (REF), MEDEIROS MADE THE FOLLOWING COMMENTS
ON THE TRL TO EMBOFFSBC

--THE ITEMS WERE IDENTIFIED ON THE BASIS OF GREATEST BRAZILIAN
EXPORT INTEREST, BOTH ACTUAL AND POTENTIAL, IN THE US MARKET.

--AS NEGOTIATIONS ON THE TRL UNFOLD, THE CORRELATION BETWEEN NBM
AND TSUSA NUMBERS MAY PROVE TO BE UNSATISFACTORY TO THE GOB FOR
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CERTAIN PRODUCTS. THUS, THE GOB IS PROCEEDING WITH THE UNDERSTANDING
THAT IT MAY, AS IT FEELS NECESSARY, WISH TO READJUST CERTAIN NBM-TSUS
CLASSIFICATIONS.

--THE GOB HOPES THAT ALL TARIFF CONCESSIONS WHICH THE US MAY GRANT
TO BRAZIL CAN BE IMPLEMENTED ON A FASTER STAGING BASIS THAN IS
PRESENTLY BEING CONTEMPLATED (8YEARS).

--THE GOB IS WELL AWARE THAT THE USG OPPOSES BINDING OF GSP MARGINS AND DOES NOT CONSIDER GSP TO BE NEGOTIABLE. HOWEVER, THE GOB WILL CONTINUE TO DEFEND ITS OWN POSITION WHICH CALLS FOR THE NEGOTIATION AND BINDING OF GSP MARGINS. FURTHERMORE, IN PREPARING ITS OFFER LISTS, THE GOB WILL TAKE INTO CONSIDERATION THE US ATTITUDE ON THE NEGOTIATION OF GSP, IN ADDITION TO US REACTIONS TO BRAZIL'S REQUEST LISTS.

2. FOLLOWING IS EMBASSY TRANSLATION OF TALKING POINTS PAPER WHICH PROENCA ROSA PASSED TO E/C COUNSELOR IN RESPONSE TO EARLIER PRESENTATION ON MTN (BRASILIA 0864):

BEGIN TEXT: SINCE ITS OFFICIAL BEGINNING IN 1973 WITH THE TOKYO DECLARATION, BRAZIL HAS FULLY AND ACTIVELY PARTICIPATED IN THE MTN. BRAZIL AGREES WITH THE US THAT THE MTN CAN CONSTITUTE A DECISIVE FACTOR IN THE LIBERALIZATION OF INTERNATIONAL TRADE FOR FUTURE DECADES.

UNDER THESE CIRCUMSTANCES, BRAZIL NOTES WITH INTEREST THE INFORMATION THAT THE US, EEC, AND JAPAN HOPE TO SATISFACTORILY CONCLUDE THESE NEGOTIATIONS BY THE MIDDLE OF JULY OF THIS YEAR. CONCERNING THIS, HOWEVER, BRAZIL CONSIDERS THAT THE SENSE OF URGENCY WHICH IS NOW IMPOSED ON THE NEGOTIATIONS SHOULD NOT LIMITED OFFICIAL USE

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LEAD EITHER TO THE MONOPOLIZATION OF THE NEGOTIATIONS BY THE PRINCIPAL DCS NOR TO A REDUCTION OF ITS ORIGINAL OBJECTIVES, PARTICULARLY AS CONCERS OBTAINING ADDITIONAL BENEFITS FOR DEVELOPING COUNTRIES.

IN KEEPING WITH THE LETTER AND SPIRIT OF THE TOKYO DECLARATION, BRAZIL HAS PRESENTED IN THE TARIFF AND NON-TARIFF AREAS, AS WELL AS IN THE VARIOUS DRAFT CODES UNDER STUDY, CONCRETE AND SPECIFIC PROPOSALS ON MEASURES OF DIFFERENTIAL TREATMENT AND SPECIAL NEGOTIATING PROCEDURES WHICH PERMIT THE DEVELOPING COUNTRIES TO PARTICPATE IN THE MTN WITH GREATER EQUALITY.

THE RESULTS OBTAINED TO THE PRESENT HAVE BEEN DISAPPOINTING TO THE INTERESTS OF THE DEVELOPING COUNTRIES.

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SSO-00 USIE-00 INRE-00 AF-10 ARA-10 EA-10 EUR-12
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-----128027 061944Z /45

O 061658Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 6392
USMISSION GENEVA IMMEDIATE

LIMITED OFFICIAL USE SECTION 2 OF 2 BRASILIA 1702

DEPT PASS STR - GENEVA FOR USMTN

IN THE TROPICAL PRODUCTS AREA, CONSIDERED A
PRIORITY AREA UNDER THE TOKYO DECLARATION, BRAZIL
PARTICIPATED IN THE NEGOTIATIONS BY PRESENTING LISTS
OF REQUESTS FOR CONCESSIONS IN TARIFF AND NON-TARIFF
BARRIERS. THE EVALUATION OF THE RESULTS OF THE
NEGOTIATIONS IN THE TP GROUP PREPARED BY THE DEVELOPING
COUNTRIES AT THE LAST SESSION BY THE TP GROUP
WAS UNANIMOUS IN NOTING THE TOTALLY UNSATISFACTORY
CHARACTER OF THE LIBERALIZATION OF INTERNATIONAL TRADE
IN THESE PRODUCTS. IT IS ALSO WORTH NOTING THAT THE
USA WAS THE ONLY DEVELOPED COUNTRY WHICH DID NOT
IMPLEMENT ITS TP OFFERS, DEMANDING RECIPROCITY FROM
THE DEVELOPING COUNTRIES.

IN THE AREA OF REMOVING NON-TARIFF BARRIERS TO
INTERNATIONAL TRADE, A LIST OF BRAZILIAN REQUESTS IS
BEING CIRCULATED BY THE GATT SECRETARIAT. BRAZIL
WILL SOON PRESENT ITS REACTION TO THE REQUESTS WHICH
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IT HAS RECEIVED.

CONCERNING THE TARIFF AREA, THE BRAZILIAN REQUEST
LIST IS IN THE FINAL STAGE OF PREPARATION AND SHOULD
BE CIRCULATED IN GENEVA DURING MARCH. ON THIS PARTICULAR
POINT, THE GOB CONSIDERS THAT THE DATE OF MARCH FIRST

MENTIONED BY THE USG IS OF AN INDICATIVE NATURE (ONLY)
AND WILL NOT BE AN OBSTACLE TO THE TIMELY STUDY OF THE
BRAZILIAN REQUESTS.

WITH RESPECT TO THE DIFFERENT CODES, BRAZIL HOPES
TO NEGOTIATE SOLUTIONS WHICH WILL ALLOW (BRAZIL) TO
SUBSCRIBE TO THEM AT THE END OF THE NEGOTIATIONS. AS
FOR THE FRAMEWORK GROUP, WHOSE CREATION STEMMED FROM
A BRAZILIAN INITIATIVE, BRAZIL CONSIDERS IT OF VITAL
IMPORTANCE THAT ITS EFFORTS LEAD, WITHIN THE MTN, TO
A SUBSTANTIAL REFORM OF THE RULES OF WORLD TRADE.

WITH THIS VIEWPOINT, BRAZIL WILL BE ACTIVELY
PARTICIPATING IN THE FINAL PHASE OF THE MTN IN ALL OF
ITS AREAS, RESPONDING TO THE REQUESTS WHICH WILL BE
FORMULATED AND TO THE COUNTERPROPOSALS WHICH WILL BE
PRESENTED TO BRAZIL. CONCURRENTLY, BRAZIL
WILL CONSIDER ITS CONTRIBUTION TO THE MTN IN THE TARIFF
AND NON-TARIFF FIELDS AS WELL AS IN ACCEPTANCE OF THE NEW
RULES OF INTERNATIONAL TRADE BASED ON ITS CONDITION AS A
DEVELOPING COUNTRY FACED WITH SERIOUS BOP PROBLEMS.
THE IMPLEMENTATION OF ANY BRAZILIAN CONTRIBUTION WILL
EVIDENTLY DEPEND ON THE BRINGING INTO FORCE BY THE
DEVELOPED COUNTRIES OF THE AGREEMENTS REACHED AND
THE EVALUATION OF THE GLOBAL RESULTS OF THE MTN IN
TERMS OF RESPONDING TO BRAZILIAN INTERESTS AND
ADDITIONAL BENEFITS. END TEXT:
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Message Attributes

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